

Tab E - Performance of Basic Mission

1. ORR activities toward the accomplishment of its basic mission may be conveniently grouped under the following three headings:

a. Basic economic research and on-the-job-training, to produce effective all-source analysts;

b. Coordination (e.g., the Economic Intelligence Committee under an IAC Directive in accord with NSCID 15 and the National Intelligence Survey program under NSCID 3) and services of common concern (e.g., map-library and map-intelligence activities of the Geographic Division);

c. Intelligence support, such as:

- (1) Data and studies for economic-warfare agencies;
- (2) Contributory studies and portions of estimates for ORR;
- (3) Reports and evaluations for OPC, OO, and OSO;
- (4) Incidental support for OCI and other CIA units and for State, JCS, etc.

2. The following general comments are pertinent:

a. Only in the last few months has increasing personnel made possible some real beginnings on the ORR program of basic research. It was necessary, before that program could be intelligently planned, to survey the field to find where efforts should be directed to fill gaps and avoid duplication. Even before this survey was completed, we began to be crowded by unexpectedly large calls for intelligence support, which it did not seem wise or proper to try to refuse. These calls have continued to increase; even without an imposed ceiling, the problem of how both to do basic research and to furnish intelligence support will remain constantly pressing. Our dilemma is that to skip on basic research means to turn out poor intelligence product, weak at its roots; while to abandon current activities in support of ORR, the economic warfare agencies, etc. means to cut off the one channel through which our research can be made useful. We cannot do both effectively under the proposed ceilings. In the present state of our ignorance, if we must choose, we would choose to maintain basic research.

b. Another way of stating our problem is to point out that there is often a conflict between parts of the intelligence process that show, and parts that are of more basic importance. Good judgment would, of course, indicate prizing the former rather than the latter, but the decision may not be easy when this means fewer graphics to enliven presentations and publications, fewer special maps to facilitate particular types of planning, etc.

c. Much of the intelligence support and some of the coordination handled by ORR is in the interest of CIA as a whole rather than pertinent to ORR's own mission. Some of this was not foreseen, and demands under

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the intelligence-support heading generally have been far greater than was anticipated when OIR was organized as a unit dedicated to basic research in economic intelligence. For example, demands on Export Control Support Branch of Analysis Division have practically doubled since the organization of NSA. The HES program represents already a large capital investment that would be lost by discontinuance, and is also an inter-agency undertaking under NSC directive that can be modified only by interagency agreement. Geographic Division furnishes services to many branches of the Federal Government outside CIA and the IAC agencies.

d. The slowest portion of OIR recruiting has been that for the higher positions, because of more careful scrutiny of possibilities. For these positions it is necessary rather to hunt out the particular man than to screen applicants, and a disproportionately large number of them are still unfilled.

e. It was originally intended that OIR should concentrate principally on the Soviet area as the sphere of greatest importance for economic intelligence affecting the national security in the meaning of NSC 15. It has seemed wise to undertake some work in other areas which were not adequately covered. It would probably be necessary, should the ceiling be made permanent, to abandon plans and some work initiated in studies of manpower, transportation, and other economic service problems for the Far East, and to disband the branch presently interested in economic analysis in non-Soviet areas.

3. The following examples of the results to be expected should the proposed ceiling be made permanent are based on the assumption that each division would make its own accommodations. It would of course be possible, and in one or two cases perhaps necessary, to make some changes between divisions. But for each of the following problems so eliminated in one division, one or more not listed would arise in others.

a. Reports Division would be unable to provide editing and publication service for the Economic Intelligence Committee because of the burden of purely OIR tasks. The OIR tasks are much more extensive than were envisioned when this division's T/O for 1952 was first approved. It is in fact hard to see how even the scheduled OIR reports can be serviced unless some way can be found to permit this division to plan immediate expansion beyond its 1952 T/O.

b. Requirements Division would almost certainly have to abandon its work in coordinating requirements for the Economic Intelligence Committee and to abandon plans, of which much is hoped, for improving the formulation of requirements throughout the Government, in order to continue with the intra-CIA handling of evaluations, a recently added assignment.

c. Basic Division's position under the proposed ceiling depends entirely on IAC activity. If the agencies continue to default on commitments, this division can do without its 1953 planned increase and even without its presently unnumbered 1952 slots. Should the agencies begin to deliver on schedule, however, this division could not continue to handle their contributions for more than a short period.

d. Geographic Division's supporting activities for other CIA offices have been rapidly increasing. A halt would have to be called to this increase, and plans for more effective graphic support cancelled, if the ceiling becomes permanent.

e. Analysis Division would be forced to give up advanced planning for economic-warfare support and to confine its efforts to meeting day-to-day calls as it has had to do up to the present.

f. Industrial Division, which started from the smallest nucleus of any of the five economic divisions, has not yet been able to assist in coordinating activities because of having had to use its limited personnel on intelligence support after a small amount of basic research had been accomplished. If the ceiling is made permanent, it will not be able to enter the field at all. Its contribution to coordination would be particularly valuable in the fields of engineering industries and electrical-equipment industries.

g. Materials Division could not produce the input-output studies which promise to be one of the most important contributions of ORR, and would have to count on OSI for any necessary work in raw materials important to atomic-energy studies and in the economics of communications, two fields at present inactive owing to the inability to recruit as yet competent personnel.

h. Services Division could not hope to strengthen its competence in Soviet organizations, to set up the needed section on commodity movements in its Transportation Branch, or build to the required competence in electric power.

25X1B4D i. The newly organized Techniques and Methods Division (now principally concerned with [REDACTED]) could continue its field work in the US but would have to abandon the joint OO-ORR plans for field collection and either some of its analysis or its plans for servicing requirements of other agencies. In this field it must be commented that returns increase more rapidly than effort expended, rather than the reverse; a little data is not much good, and a lot has to be collected to get definitive results.

j. Strategic Division would necessarily continue to confine its attention to published material and give up all hope of exploiting the vast amount of unpublished material in its special field. The implications of this are indicated in a separate memorandum.